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Study Warns of Soviet Moves in Philippines

5 - By BILL KELLER

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WASHINGTON, Oct. 31 — The Soviet Union has begun positioning itself to offer support to Communist insurgents operating in the Philippines, according to a report prepared for the Senate Select Committee on Intelligence.

The report, according to a committee aide, concluded that while the growing New People's Army remains a staunchly indigenous rebellion, feeding on economic hardship and popular resentment of President Ferdinand E. Marcos, its growing numbers may force its leaders to look to outside powers for arms and supplies.

The report says that the Soviet Union has positioned itself to provide such aid by greatly enlarging its embassy in Manila and making indirect contacts with the insurgents through Filipino labor unions.

The committee report, based on staff visits and information provided by civilian and military intelligence agencies, estimated that the New People's Army has recruited 30,000 fighters, including full-time guerrillas and part-time "irregulars."

The report forecast that without dramatic reforms, democracy in the Philippines would collapse in two to three years, under the combined pres-

ures of military insurgency, economic decline and political unrest. It said the ill health of Mr. Marcos could bring about domestic chaos even sooner.

The study, a rare public report from a committee that normally keeps all of its activities secret, is the latest effort in a growing campaign by American officials to raise public concern about the Philippines and to press home to Mr. Marcos the need for reforms. The United States has two major military bases in the Philippines, and considers the Philippines a critical strategic outpost.

Senior Pentagon and State Department officials told another Senate com-

mittee Wednesday that, unless major reforms were enacted, within three to five years the insurgents would achieve a military stalemate, meaning a widespread civil war that neither side could end quickly.

Senator Dave Durenberger, the Minnesota Republican who heads the Senate Intelligence Committee, said that unless the Philippines Government underwent major changes in two to three years, "democracy is doomed."

"We just don't agree that three to five years is realistic," Mr. Durenberger said in an interview Wednesday night. "The committee is saying that the Philippines has about a two year window of opportunity in which to insure a democratic leadership in the country rather than some kind of an anarchical, potentially Marxist-or-

ented leadership."

He added: "I think, and this is just Dave Durenberger speaking, that we may even be overly optimistic by saying two to three years."

The New People's Army, according to members of Congress and Reagan Administration officials, so far appears to have avoided any formal relationship with outside powers. According to these officials, the insurgents have relied primarily on "taxes" extorted from businessmen in the Philippines to buy weapons and supplies on the Philippine black market.

The Senate report indicates the rebels have been fighting in recent months in battalion-sized units of 200 to 300 men, indicating an increasing degree of organization and sophistication.

Mr. Durenberger said the situation was so grim that President Reagan

should be preparing to adopt "a democratic alternative" in Manila in the event that the Marcos Government begins to collapse.

"At some point in time he is going to have to grab a democratic alternative or face having no alternative but the New People's Army," he said.

Intelligence committee aides had planned to release the report today, but were told by Mr. Durenberger to wait until Friday for reasons that were not explained. A committee aide had disclosed some details of the report prior to Mr. Durenberger's decision to postpone its public release.